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‘Principal Residence’ Bill Signed Into Law *New Law Clarifies Tax Code, Eliminates Filing Errors*

LANSING— State Sen. Nancy Cassis (R-Novi) encountered another victory this week in her tax simplification quest. Senate Bills 129-136, which Cassis sponsored, were signed into law. The new law changes the Michigan “homestead exemption” to the Michigan “principal residence exemption” to eliminate confusion.

“It has always been my mission to introduce and shepherd through legislation that simplifies the state tax code for Michigan taxpayers,” said Cassis, chair of the Senate Finance Committee. “This law does two things: It makes the law clearer and easier for our taxpayers to understand, and because the law is clearer, it allows taxpayers to receive the benefits they are entitled to.”

The idea for Senate Bills 129-136 first surfaced last year while Cassis, then a State Representative, worked with Milford Township Treasurer Cynthia Dagenhardt on a new law making it easier for taxpayers to receive homestead exemption refunds. During hearings, Dagenhardt suggested changing “homestead” to “primary residence” because homeowners were confusing the homestead exemption, which every homeowner must file, with the homestead tax credit, which only certain homeowners are eligible for.

“Now that the tax code reads ‘principal residence’, I expect there to be much fewer cases of filing errors,” Cassis said. “This legislation simplifies a complex issue for our constituents. The smallest changes sometimes make the biggest impact.”

Also a part of her tax simplification initiative, Cassis’ legislation requiring the Michigan Department of Treasury to publish its letter rulings was signed into law last month as Public Act 92 of 2003.

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